FINAL REPORT

AGRIBITION SPECIALIZED LIVESTOCK MARKETPLACE

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CANADA-SASKATCHEWAN AGRI-FOOD INNOVATION FUND

PROJECT # 97000138

CANADIAN WESTERN AGRIBITION SPECIALIZED LIVESTOCK MARKETPLACE

FINAL REPORT

Submitted January 31, 2000

1. Summary

Growing participation from the specialized livestock sector, especially bison and elk, prompted Canadian Western Agribition to increase the profile of these shows. AFIF funding enabled the purchase of handling systems which are humane, safe, and show the animals to their best advantage. Decor and signage successfully presented these species appropriately for the national and international visitors they attract.

2. Technical Report

2.1 Background

Canadian Western Agribition was established in 1971, and very quickly became recognized as a world-class venue for beef livestock genetics. A large trade show featuring leading edge products and technology evolved alongside the beef shows, as did other livestock shows and the grain show. Western Canadian agriculture grew to expect Agribition to be one of the first places to look in the search for new ideas.

The Agricultural industry in western Canada has been adapting rapidly to changes in fundamental trading and economic relationships. As a significant part of the general adjustment, producers are shifting land from grain production into grass, and are looking for the best alternatives to utilize their grassland. The decisions extend beyond the type of grass, to the type of animal best suited to make use of the grass. Since 1993, Canadian Western Agribition has added bison, elk, llamas, alpacas, Boer goats and Katahdin sheep to its' roster of exhibits.

The specialized livestock exhibits attracted considerable traffic, and the need was identified to develop defined locations which could become recognized as the venues for these species. An application was submitted to the AgriFood Innovation Fund which proposed to refurbish a series of barns, and to acquire equipment, signage and display materials to help these species establish a solid market presence.

The barn renovations were not eligible under the terms of the agreement, but approval was given for the purchase of specialized equipment and display/signage material. Some of the project activities were implemented in time for the 1997 show, with the majority of the balance completed for the 1998 show.

2.2 Objectives

The Objectives for the original, broader project were:

2.2.1 Create a recognized theme, special exhibit areas and events within Agribition to serve as the focal point for the emerging Specialized Livestock Industry.

2.2.2 Improve the profile and understanding of the Specialized Livestock Industry among producers, investors, processors, suppliers and international buyers.

2.2.3 Help to coordinate the marketing and promotion activities of various elements of the specialized Livestock Industry.

The portion of the project which was approved dealt specifically with objective 2.2.1. Objectives 2.2.2 and 2.2.3 remained relevant, but were fulfilled as part of the exhibit and event activity, rather than as separate activities.

2.3 Project Activities

2.3.1 1997 Activities

The project was initiated in late 1997. CWA personnel met with representatives of the bison and elk industry, and agreed upon design priorities and location. Three buildings were identified as focal areas for Specialized Livestock, in addition to the Commercial Cattle Barn and Stadium, which were utilized by bison.

Barns 8, 9 and 10 were identified as specialized livestock areas, with barns 9 and 10 pressure-washed to accommodate elk stabling and sales. Temporary additional lighting was installed in the stabling and the sales area, and key areas were painted. New metal siding was installed on the north wall of Barn 9 to provide an attractive backdrop for the elk sale. Two walk-in doors were replaced to ensure that pedestrian traffic could be safely accommodated, and a roll up door was replaced to facilitate safe and effective loading and unloading of sale animals directly into the stabling area.

Red, white and blue plastic bunting was used to brighten up the area, and to lower the visual ceilings. The plywood interior walls were straightened, repaired and painted. Temporary additional heat was installed in Barn 9.

Requests for proposals were sent to suppliers of bleacher seating, livestock panels and specialized handling equipment, and quotes were received. The quotes were evaluated according to price, durability, and flexibility.

The bleacher frames were ordered without seats and walks, since it was more economical to obtain and install those on site. The livestock handling panels were selected to be consistent with existing equipment.

The elk sale handling system was designed and built specifically for the CWA installation. The bison exhibitors agreed to use the system, to avoid additional cost of obtaining a separate sale ring for bison. The system was installed for the elk sale in Barn 9 and then disassembled and relocated to the Stadium for the bison sale. Following the bison sale, several gates and panels had to be straightened and repaired, and it was determined that the equipment was not sufficiently robust to be a safe system for bison.

A press conference to announce the facilities and equipment was held on Sunday, November 23, with the Honourable John Harvard representing Agriculture and Agri-Food Canada and the Honourable Eric Upshall representing Saskatchewan Agriculture and Food. The two dignitaries moved the first elk through the new system, before a full house and over a dozen media. (Photo 5.5)

The elk sale was held on Tuesday, November 25 at 10:00 am, before an overflow crowd. The NV handling system worked perfectly, show casing the animals without exposing them or the handlers to stress. (Photo 5.6)

The elk sale was an outstanding success, grossing $895,000 on 41 lots, for an incredible sale average of $21,829. The only complaint was the lack of seating for spectators (not buyers) who wanted to share the excitement.

The availability of additional livestock panels and a change to the show schedule enabled CWA to stable the bison indoors, in the Commercial Cattle Barn. Bison began moving in on Thursday November 27, with the Canadian National Bison Show on Saturday and the Sale on Sunday, November 30.

The Bison Sale proved to be an excellent finale to Agribition '97, with 130 lots averaging $6,227, grossing $809,500.

An Alpaca Sale was included in the 1997 show schedule at the request of breeders, and showed a remarkable average of $13,624 on 25 lots, for a gross of $340,600.

The first ever Katahdin Sheep Sale at Agribition grossed just under $20,000 on 13 head, for an average of $1,534 per animal.

Eight head of Llamas sold for an average of $5,844, grossing $46,750.

2.3.2 1998 Activities

In 1998, the show schedule was modified, moving the Bison show and sale to the front of the show, closer to the Elk activities. The "Running of the Bison" ceremony was made public for the first time, attracting considerable attention. Bison, being herd animals, posses a strong instinct to return to their herd for safety when separated. One of the management advancements has been to recognize these inherent characteristics, and develop management systems consistent with them. Bison exhibitors have always 'run the bison' through the handling system as a humane handling technique. The animals become familiar with the path, learn that there is nothing to fear, and develop confidence that, once they have completed their route, they will safely return to 'the herd' in the barn.

For the first time, this humane management practice was conducted in public. It was accompanied by First Nations story tellers and dancers who portrayed the role of bison in the life of the Plains Indians.

As mentioned in 2.3.1, using the NV Elk system for bison resulted in considerable damage to the system, so in 1998, remaining funds were used to purchase rodeo-style equipment which was suitable for use in designing a bison system. The resulting system worked very well, resulting in a much higher comfort level for the handlers and the animals.

The 1998 Bison Sale was a highlight of Agribition '98! Moving the show and sale to the beginning of the week enabled American buyers to attend while still planning to return home for US Thanksgiving on Thursday. A record 139 animals sold for $1,091,900. The sale averaged $7,855. The consensus of everyone in attendance was that the Canadian National Bison Show and Sale at Canadian Western Agribition had met and surpassed the objectives which had been identified in 1993.

Elk exhibitors had decided that the stress placed upon mature animals, especially pregnant females, consigned to the CWA Elk Sale was not justified, and changed the format to allow only calendar-year calves. Through 1998, the Asian economic crisis caused a decline in the elk velvet market, which was also reflected in the Agribition sale. Nonetheless, the sale showed an extremely strong average of $7,540 on 50 head, grossing $377,000.

In other arenas, Katahdin Sheep grossed $19,350 on 24 head, llamas grossed $26,275 on 14 head and Boer Goats grossed $19,600 on 22 head.

2.4 Results and Conclusions

As discussed in Section 2.3, the accelerated development of specialized livestock events and sales at Canadian Western Agribition have benefitted the industry and Agribition. Agribition's credibility in the marketplace and its' extensive advertising program enabled associations to very quickly reach the top of the market, capitalizing upon very positive market conditions.

The success of the shows and sales attracted the Canadian Bison Association, the Saskatchewan Bison Association, the Saskatchewan Elk Breeders Association and the North American Elk Breeders registry to Regina Exhibition Park.

The acquisition of the equipment enabled both the bison and elk industry to collaborate with industry to host events and sales at Exhibition Park.

The equipment funded by AFIF has been offered, for the cost of freight and handling only, to other venues in western Canada, helping to develop the industry.

The equipment and management techniques showcased have been more widely understood and adapted. This equipment and expertise is as important in developing a financially viable industry as are genetics.

The experience at CWA has confirmed that equipment designed for use with elk is not adequate for bison.

2.5 Indications for Further Development

The specialized livestock sector is continuing to seek its' equilibrium. Bison appear to have established their market niche, and are en route to developing firm product markets. The Canadian National Sale, held at Agribition, features a collaboration of three associations and two major private sales companies.

The elk industry is adjusting to the Asian crisis by developing a domestic processor for velvet. Combined with herd health issues in 1999, the demand slump may prove to be a very large hurdle for the industry.

Other species are finding their niche. Venues such as Canadian Western Agribition can serve as a catalyst in this process, providing investors, producers, and processors with a location to meet and develop industry strategies.

2.6 Performance Indicators

In just two years, 1997 and 1998, over 450 specialized livestock were sold at Canadian Western Agribition for $3,645,950.

2.6.1 Market Performance

The bison meat market has been moving steadily along, with partnerships between producers and processors working to establish and maintain presence in key markets. The averages of the bison and elk sales indicate a high level of confidence amongst investors.

2.6.2 Technology Transfer

There are several levels of technology transfer involved in this project. At the International Marketing Level, CWA helped to provide the Canadian National Show and Sale with the recognition and credibility necessary for an international presence.

Prospective buyers in Colorado were aware of proposed changes to the CWA schedule before some committee members were aware. By the time the 1999 Canadian National Bison Show and Sale was held, the event had become well-known internationally.

In 1999, for the first time, the Bison Show and Sale were held in the Stockman's Arena, immediately adjacent to the International Business Centre. The IBC hosted visitors from 52 countries, along with experienced exporters and facilitators. Producers who are new to marketing are able to meet a wide variety of contacts and prospects, in the familiar surroundings of the IBC. They can compare notes, and expand their contacts and confidence without incurring the expense of leaving the country.

The second area of technology transfer which the show and sale provides is an unparalleled opportunity for producers who are considering specialized livestock to evaluate a wide range of possibilities in a short period of time, and select the suppliers and advisors whom they may wish to work in the longer run.

An important third aspect of technology transfer is the show casing of meat and by-products to potential processors and marketers. A German delegation attended Agribition 99 specifically to make contacts in the bison meat industry.

A subtle but important area of technology transfer is investment. Banking institutions and individuals can investigate the potential of various types of investment in the industry. The show introduces the industry to some investors who may not have previously considered specialized livestock as an alternative.

2.6.3 Diversification Impacts

The bison and elk herds have been expanding more rapidly than the markets for 'exotic' or 'game' meat have expanded. A considerable market has been identified in Europe for game meat, however the marketing, processing and distribution channels need to further developed. Agribition has provided an internationally recognized focal point for some of this type of development.

Agribition '99 provided the venue for a wide range of industry players to interact over a period of several days with a sizeable German contingent, for example. Integrating the elk and bison activities into the larger event provides a critical mass of activities, businesses and people which justifies international prospects travelling greater distances and staying over a longer period of time. This enables Canadian producers and business people a greater opportunity to meet and understand their interests and negotiate agreements.

The scheduling of the bison and elk events early in Agribition eliminated the scheduling conflict with American Thanksgiving, and has resulted in very strong representation of US visitors. Besides being aggressive bidders for live animals, they have proven to be excellent prospects for buyers of specialized equipment.

The equipment has enabled Regina Exhibition Association to collaborate with the industry and successfully host sales for both elk and bison at other times of the year.

3. Personnel

All project activities were implemented by CWA staff or regular contractors.

General Management:	Wayne Gamble
Equipment Specification and Sourcing:	Merv Berner
Accounting	Sylvia Boyko
Communications and Advertising:	Kerry Bachiu, Marci Desroches
Livestock Association Liaison:	John Donison, Maxine Ponsford

No salary or wage costs associated with the listed personnel were allocated to nor paid from the AFIF project budget. All of the activities performed by these persons were incorporated into their list of priorities, and no charges were attributed to the project.

Depending upon the approach used to allocate personnel resources, the value of this staff input can be placed between $18,000 and $25,000 per year.

4. Equipment

The objective of this project was to create a credible, functional and presentable showcase for specialized livestock, especially bison and elk. CWA staff met with representatives of the bison and elk industry to develop a plan which optimized the use of the funds available.

4.1 Elk equipment

The overall concept involved dedicating two horse barns identified as barns 9 and 10, to elk. The permanent box stalls in barn 10 would be pressure washed, and painted, with extra temporary lighting installed. Bleachers would be purchased and set up in Barn 9, which would become the sale arena. Selective essential repairs would be made to the barns to improve the image of barns which had been well used by the horse industry for several years. These repairs mainly included repair and replacement of essential doors, replacing and patching metal siding, and painting.

Funding was not available to upgrade the barn interiors, so extensive use was made of bright-coloured plastic bunting, with very satisfactory results.

A concept was developed in consultation with the industry, and quotes were invited according to those specifications. The successful tender developed a custom-built handling system which eliminated the need for handlers to be in the pens or alleys with animals. It incorporated a unique concept of large doors which rotated, allowing handlers to 'sweep' animals from the pens. (See photo 5.5) The system worked beautifully for the elk, with the animals obviously experiencing much reduced levels of stress due to handling. Several media and visitors requested more information on the equipment.

4.2 Bison Equipment

As discussed above, the bison and elk exhibitors collaborated jointly with CWA to develop a system which could be used for both species. After the elk sale, the system was dismantled and re-assembled in the Stadium. The bison were stabled in the Commercial Cattle Barn, and were moved to the sale ring by use of alleys constructed of eight-foot high horse stall panels.

The sale was exceptionally successful, however, the equipment proved not be sufficiently robust to stand up the rigours of bison handling. Almost every gate required some straightening after the show, with some requiring major work. We learned **equipment designed for elk handling are likely to be too light for buffalo handling.**

Accordingly, some of the equipment was returned for credit, and the following year, CWA purchased a series of 2-W sliding gates designed for use with rodeo bulls. A set-up design was developed which enabled handlers to move the animals through the system with minimal contact. The gates were constructed of 2" planks, and were very suitable, not only withstanding the impact of bison, but also eliminating the metallic ring which had resulted when animals hit the metal gates. This also reduced their stress.

4.3 Equipment purchase

Where more than one qualified supplier was available, quotes were invited, and compared. In all cases, the lowest price was the most suitable supplier, and was selected. (List of invoices in Appendix A) None of the equipment has serial numbers.

Description	
W.H. Reynolds Ltd. Bleachers:	- 4 of Reycon modular 8-24 Galvanized Bleacher frames, 10 rows x 16 feet. The frames were assembled on site, and planks for seats and walks sourced locally
Two-W Livestock Equipment:	- 130 of series 510 corral panels - 66 of series 510 gates with latch and safety chain - 200 of 6' 4-way posts
NV Elk Modular System:	- 14 of sliding gate module - 10 of swinging gate module - 3 of corner module - 3 of before corner frame - 4 of after corner frame
Two-W Livestock Equipment:	- 6 of 60" block door and panel - 3 of 10' series 500 high pole gates
B. Ehman, Fabricating:	- 12 of gate racks - 16 of panel racks - 4 of post racks

5. Photographic Record

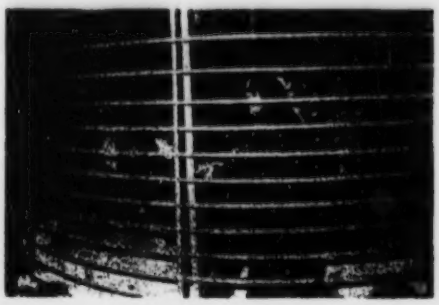
5.1 The Press Conference prior to the official inaugural use of the equipment was very well attended. Speakers included John Harvard, Parliamentary Secretary to Lyle Vanclief, Minister of Agriculture and Agrifood Canada, Honourable Eric Upshall, Saskatchewan Minister of Agriculture and Food, and Audrey Horkoff, President Canadian Western Agribition.

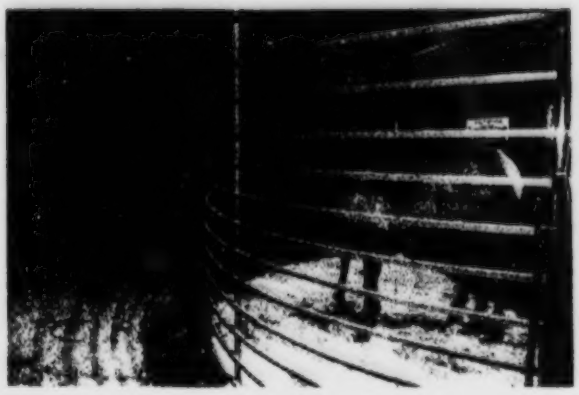
5.2 An Overflow Crowd attended the official inauguration of the equipment, and stayed for the record setting sale, at which 41 animals grossed $895,000.

5.3 Parliamentary Secretary to Lyle Vanclief, Minister of Agriculture and Agrifood Canada, John Harvard represents the Government of Canada at the inaugural event for the Elk Handling equipment.

5.4 Honourable Eric Upshall, Minister of Saskatchewan Agriculture and Food shares his vision of the growing diversity of Saskatchewan's agriculture at the inaugural event.

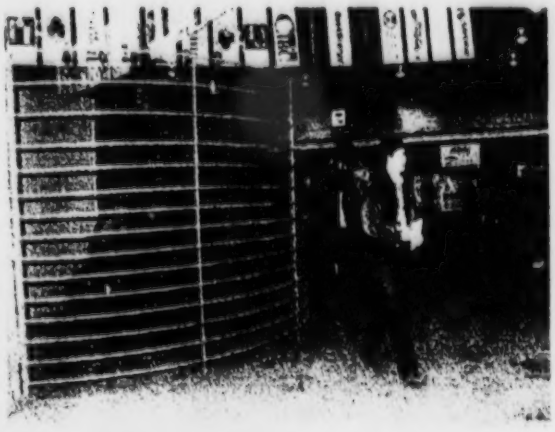
5.5 Mr. Harvard and Mr.Upshall 'sweep' the first elk through the NV Modular Elk system, demonstrating the ease of handling for both elk and humans, to the approval of the standing-room crowd.

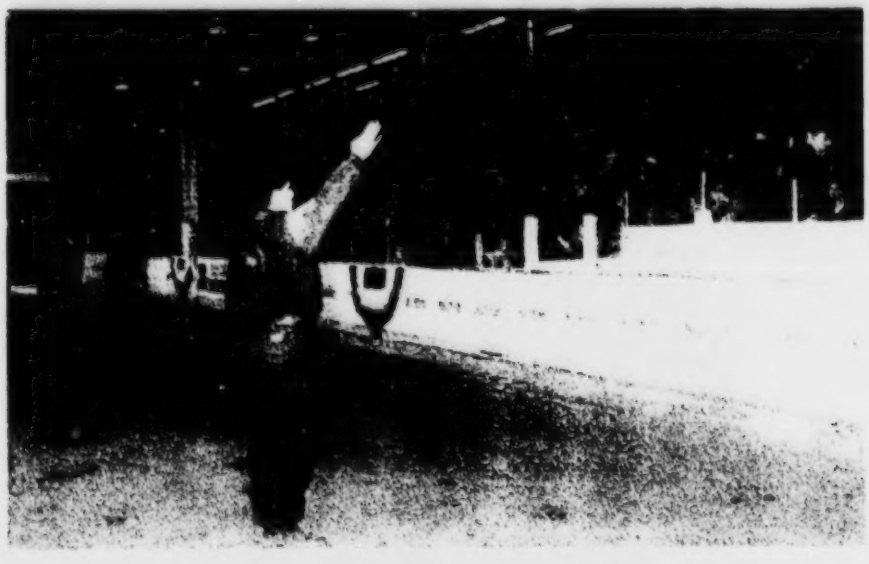




5.6 Animals were very quiet in the NV System, demonstrating the importance and value of equipment which is designed specifically for the needs of the livestock to be handled.

5.7 The NV System was re-assembled for the Bison sale, however, bison are much larger, much more athletic and much more aggressive than are elk, and the system required considerable maintenance after the sale, resulting in the decision to utilize the NV System solely for elk and deer, and to use Two-W rodeo-style equipment for bison.





5.7 The Bison Sale filled the east side of the Stadium, and set a record of $809,500 on sales of 130 animals.

6. Innovation Fund Acknowledgement

The Canada-Saskatchewan Agri-Food Innovation Fund was acknowledged in all publications, press releases, publicity, reports and interviews. The participation by Mr. Harvard and Mr. Upshall added considerably to the interest and coverage of the inaugural use of the equipment. Signage on the grounds credited AIF with its' support.

7. Publications

A partial list of advertising for the specialized livestock events is attached in Appendix , along with copies of some of the articles which appearing in the media.